

ABSTRACT

One of the company's long-term goals is to maintain its business continuity. For management, it is very important to find out about bankruptcy earlier, so that it can be an early warning for companies to evaluate and anticipate financial distress. One way to find out the occurrence of financial distress is by knowing the factors that can influence it such as operating capacity, sales growth and operating cash flow.

This study aims to determine how the influence of operating capacity, sales growth and operating cash flows on financial distress in agricultural sector companies listed on the Indonesia Stock Exchange (IDX) in 2013-2017.

The sampling technique in this study used purposive side which produced 8 samples in a period of 5 years, namely as many as 40 units of data samples. The analytical method used is logistic regression analysis which is processed using SPSS Version 25.

Based on the results of this study, it was found that simultaneous operating capacity, sales growth and operating cash flows influence the occurrence of financial distress. Then partially, operating capacity and sales growth have no effect on the occurrence of financial distress, while operating cash flows have a positive and significant effect on the occurrence of financial distress.

In this study, the authors provide suggestions to pay attention to other factors that can influence the occurrence of financial distress such as inflation, and good corporate governance (GCG) and also extend the research period so that the analysis results are more accurate.

Keywords: *Financial Distress, Operating Capacity, Sales Growth, Operating Cash Flow*